

BBB Tank Services, Inc.

AST Services and New API Tanks

July 1, 2013

Ingleside Crude LLC
801 Travis, Suite 2100
Houston, Texas 77002

Attention Mr. Steve Wilson and Jonathan Carroll

Reference Proposal Tank 12 Tank Upgrade
Proposal # N13-508 REVISION 5

REVISION 2- Add the slotted shell method of installing a new tank bottom. Delete the removal of the existing tank bottom.

REVISION 3- Remove and replace the top angle and roof support structure in addition to the cone roof.

REVISION 4- Break out roof plate replacement and top angle or roof support structural replacement.

Dear Sir,

As per the conversation, site visit, and API-653 latest standards we propose to furnish labor, material and equipment to complete work on the above referenced tank as follows with the associated pricing as listed.

Our Price includes:

1. All BBB crew will have necessary training to perform work. (LEL meter provided by contractor)
2. Mobilization to jobsite included in pricing, any additional mobilizations will be \$ 6,260.00 per occurrence.
3. Preparation of a Safe Work Plan prior to initializing work.
4. Conducting a site specific safety meeting at the jobsite to discuss possible job hazards, safety issues prior to starting any work.
5. Crews to have all applied safety equipment.
6. Mobilize
7. Unload materials and equipment.

CONE ROOF REVISION 4

8. Scaffold the tank shell with Tank Builders type scaffolding.
9. Remove and replace existing roof skin with 3/16" A-36 material. Price includes a lap weld on the top side only.
10. All roof nozzles and Manways are to be new.
11. Scrap metal is to be loaded into an owner furnished bin for disposal by others.
12. Includes hot work to demolish the existing roof skin and install new roof skin.

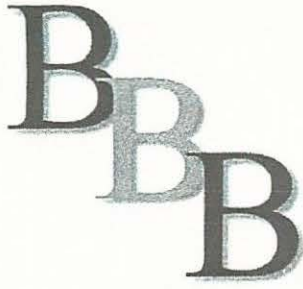
ITEM #1 REVISION 4 122'-3" Diameter Tank

Replace 3/16 Cone Roof Skin	
Materials/Fabrication/Freight/Consumables	\$ 95,962.00
Equipment/Fuel	27,888.00
Labor	94,309.00
Total	\$ 218,159.00

Duration of project is 8-10 weeks

13. Remove and replace the top angle, if required. Add \$ 14,892.00
Duration 3 field working days
14. Remove and replace the roof support structure. Add \$ 236,595.00
Duration 3 weeks

Corporate Office: 9225 Leopard St. - Corpus Christi, Texas 78409 - Phone (361) 241-1001 - Fax (361) 241-1006
Operations Office: 3506A Battleground Rd - LaPorte, Texas 77571 - Phone (281) 542-9330 - Fax (281) 542-9336



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BOTTOM

15. Slot the tank shell 4 inches above the existing tank bottom, furnish and install a new 60 mil HDPE liner over the existing tank bottom including up the wall 4 inches and installing (4) 1" leak detection couplings in the tank shell.
16. Four inches of clean, washed river sand will be installed on top of the HDPE liner.
17. A sacrificial Magnesium ribbon anode type Cathodic Protection system will be installed in the new sand with an exterior test station.
18. Then a new 1/2" thick, Grade A36 steel, lap welded, top side only, bottom will be installed in the tank.
19. A new 36" diameter bottom sump with new Schedule 40 4" WDO piping to an existing shell nozzle is included.
20. The existing shell nozzles and manways will be raised if necessary to meet the API-653 standards.
21. The outside overhead area of the new tank bottom chime will be seal welded so water cannot get into the tank.
22. The roof support columns new as in Item 1 or existing will be plumbed and have new 4'-0 x 4'-0 x 1/2" load bearing base plates installed under them.

ITEM #2 122'-3" Diameter

New Tank Bottom Replace 1/4" Bottom

Materials/Fabrication/Freight/Consumables	\$ 198,404.00
Equipment/Fuel	56,665.00
Labor	208,264.00
Total	\$ 463,333.00

Duration of project is 8-9 weeks

INTERNAL FLOATING ROOF

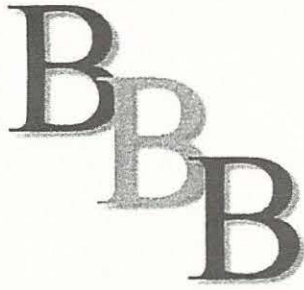
23. Furnish and install a new steel pan type internal floating roof-
24. Our price includes a 3/16" thick, Grade A36 steel plate, lap welded floating roof.
25. The primary mechanical shoe seal will include Grade 304 stainless steel shoes, holddowns and mounting hardware and 10 mil TEFLON sealing fabric.
26. The secondary seal will be Urethane vapor fabric and be a wiper type seal.
27. (1) 24" deck manway is included.
28. (1) 3" emergency drain is included.
29. (4) 8" Automatic bleeder vents with sleeves and striker plates is included.
30. Adjustable floating roof support legs with sleeves is included.
31. (1) 8" schedule 40 slotted gauge pole/ combination anti-rotation device is included including an 8" roof nozzle and gauge hatch.
32. (1) automatic gauge well.
33. Column negotiators as required.
34. New 1/4" x 16"x16" striker plates

ITEM #3 122'-3" Diameter Tank

Replace Internal Floating Roof

Materials/Fabrication/Freight/Consumables	\$ 211,750.00
Equipment/Fuel	37,666.00
Labor	148,857.00
Total	\$ 398,273.00

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Alternate 2- Add \$ 1,514.00 if the top or intermediate platform has to be replaced.

Alternate 3- Add \$ 818.00 for each 10'-0" galvanized handrail requiring replacement.

Alternate Shell Replacement Nozzles, Manways, Clean Outs and Misc Items-

(150# RF/SO Single Flanged Shell Nozzles with repads and insert plates when required by the API-653 code).

1"	\$ 251.00	
2"	\$ 359.00	
3"	\$ 563.00	
4"	\$ 676.00	
6"	\$ 832.00	
8"	\$ 1,123.00	
10"	\$ 1,339.00	
12"	\$ 1,717.00	
14"	\$ 2,215.00	
16"	\$ 2,462.00	
24"	\$ 12,854.00	API-650 Shell Manway
24"	\$ 15,777.00	API-650 Shell Mixer Manway
36"x48"	\$ 28,162.00	Flush Type Clean Out Door
Gauging Systems Liquid Level Indicator	\$ 4,750.00	

Special Notes 1. The hydrotest water is to be furnished and disposed of by LAZARUS. The hydrotest is by others and witnessed By BBB. If BBB is required to button up the tank including new gaskets and nuts and bolts and do the hydrotest-add \$ 7,500.00 to the base bid. (The water is to be furnished within 200lf of the tank. A pump would be additional.

Terms and Conditions

- A. Owner to provide radios if required.
- B. All pricing is based on our working 10 hour work days 5 days per week until project is completed.
- C. Sales tax is excluded in our price. If to be accrued and paid by BBB, Lazarus Energy will be billed for sales tax on final billing. ADD 8.25% to the total pricing for sales tax.
- D. Special expedition of freight, if required by owner, will be additional to our proposed prices.
- E. Delays by others will be per BBB standard T&M rate sheets.
- F. All contaminated scrap will be hauled off by owner at owner's responsibility for disposal.
- G. BBB will bill upon let of contract for materials/fabrication/Engineering and freight, then bill twice monthly until the end of the project.
- H. Payment is net 10 days upon invoice date.
- I. Prices are good for 30 days.

Thank you for the opportunity to quote this project. Hopefully we will be successful and will have the pleasure to work with you.
Please call if you have questions or concerns regarding this proposal.

Sincerely,
BBB Tank Services, Inc.

Ralph Bubba Gamble
Project Manager